

National Credit Union Administration



Operating Fund

***Financial Highlights
January 31, 2010***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
January 31, 2010

Balance Sheet

Overnight Investments decreased \$4.1 million for payment of operating expenses.

Accounts Receivable increased \$6.6 million for partial recording of operating fee assesment.

Statement of Cash Flow

Cash decreased by \$5.4 million for the month, reflecting payments for operating expenses, leases, and notes payable.

Budget (Year-to-Date)

Agency spending was under budget by \$6.3 million or 37.4 percent. Pay and benefits were under budget by 20.3 percent. Travel was under budget by 90.6 percent; travel is usually low at the start of the year as the regions begin their exam programs. The remaining variance of \$1.5 million was derived mainly from contracted services.

Vacancies

The agency had 104 vacancies as of January 31 -- up 88 from December 31, 2009 -- due to the increase in authorized positions. Of the 104 vacancies, 42 were in the central office, 21 were in the regional offices and AMAC, and 41 were in the field offices. The vacancies represent 6.8 percent of total authorized staff of 1,111.85.

National Credit Union Administration Operating Fund
Balance Sheets & Changes in Fund Balance
January 31, 2010

| | January 2009 | December 2009 | January 2010 |
|---|-------------------------|-------------------------|-------------------------|
| ASSETS | | | |
| ASSETS: | | | |
| Current Assets | | | |
| Cash | \$ 100,440.64 | \$ 513,625.63 | \$ 100,644.36 |
| Overnight Investments | 16,806,000.00 | 23,808,000.00 | 19,704,000.00 |
| Accounts Receivable | 278,767.16 | 1,306,596.57 | 7,935,480.01 |
| Interest Receivable | 0.00 | 0.00 | 0.00 |
| Prepaid Expenses | 3,514,308.03 | 2,048,932.91 | 2,647,421.85 |
| Home Purchase Program | 517,500.00 | 494,820.00 | 494,820.00 |
| Other | 6,928,303.88 | 0.00 | 0.00 |
| <i>Total Current Assets</i> | 28,145,319.71 | 28,171,975.11 | 30,882,366.22 |
| Property, Plant, and Equipment | | | |
| Land | 3,946,263.95 | 3,946,263.95 | 3,946,263.95 |
| Buildings | 25,608,018.00 | 24,964,166.00 | 24,868,250.00 |
| Capital Lease | 198,616.66 | 40,544.00 | 27,051.69 |
| Equipment | 2,403,238.00 | 4,111,297.00 | 3,946,164.34 |
| Assets Under Construction | 999,969.63 | 4,334,203.28 | 4,334,203.28 |
| <i>Total Property, Plant, and Equipment</i> | 33,156,106.24 | 37,396,474.23 | 37,121,933.26 |
| TOTAL ASSETS | \$ 61,301,425.95 | \$ 65,568,449.34 | \$ 68,004,299.48 |
| LIABILITIES AND FUND BALANCE | | | |
| LIABILITIES: | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 2,418,326.10 | \$ 2,400,067.86 | \$ 2,650,620.32 |
| Accrued Employee Compensation | 14,509,532.58 | 16,148,415.08 | 14,822,119.86 |
| Other Current Liabilities | 170,987.90 | 59,417.30 | 1,092,279.59 |
| <i>Total Current Liabilities</i> | 17,098,846.58 | 18,607,900.24 | 18,565,019.77 |
| Non-Current Liabilities | | | |
| Notes Payable | 19,667,084.18 | 18,437,891.49 | 18,326,146.70 |
| Other | 213,739.87 | 163,526.90 | 163,526.90 |
| <i>Total Non-Current Liabilities</i> | 19,880,824.05 | 18,601,418.39 | 18,489,673.60 |
| TOTAL LIABILITIES | 36,979,670.63 | 37,209,318.63 | 37,054,693.37 |
| FUND BALANCE: | | | |
| Unappropriated | 23,321,755.32 | 27,359,130.71 | 29,949,606.11 |
| Appropriated | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 |
| TOTAL FUND BALANCE | 24,321,755.32 | 28,359,130.71 | 30,949,606.11 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 61,301,425.95 | \$ 65,568,449.34 | \$ 68,004,299.48 |

National Credit Union Administration Operating Fund
Statement of Revenue & Expenses
January 31, 2010

| | January 2010 Monthly Actual | January 2010 Monthly Budget | January 2010 Year-To-Date Actual | January 2010 Year-To-Date Budget | January 2009 Year-To-Date Actual |
|---|-----------------------------------|-----------------------------------|--|--|--|
| REVENUE: | | | | | |
| Interest Income | \$ 467.39 | \$ 3,333.33 | \$ 467.39 | \$ 3,333.33 | \$ 967.84 |
| Program-related Income | 7,117,500.00 | 7,117,500.00 | 7,117,500.00 | 7,117,500.00 | 6,773,333.00 |
| Other Income | 15,942.40 | 23,333.33 | 15,942.40 | 23,333.33 | 30,837.95 |
| Total Revenue | 7,133,909.79 | 7,144,166.67 | 7,133,909.79 | 7,144,166.67 | 6,805,138.79 |
| EXPENSES: | | | | | |
| Employee Pay | 3,787,649.47 | 3,474,137.68 | 3,787,649.47 | 3,474,137.68 | 3,603,310.93 |
| Employee Benefits | 1,590,734.59 | 680,834.40 | 1,590,734.59 | 680,834.40 | 939,333.66 |
| Employee Travel | 181,424.14 | 77,649.53 | 181,424.14 | 77,649.53 | 122,353.61 |
| Rent/Communications/Utilities | (43,259.75) | (18,515.17) | (43,259.75) | (18,515.17) | 48,213.47 |
| Administrative Costs | 146,910.58 | 383,543.54 | 146,910.58 | 383,543.54 | 284,037.72 |
| Contracted Services | (264,209.43) | (113,081.64) | (264,209.43) | (113,081.64) | 20,301.76 |
| Total Expenses | 5,399,249.60 | 4,484,568.34 | 5,399,249.60 | 4,484,568.34 | 5,017,551.15 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | \$ 1,734,660.19 | \$ 2,659,598.32 | \$ 1,734,660.19 | \$ 2,659,598.32 | \$ 1,787,587.64 |

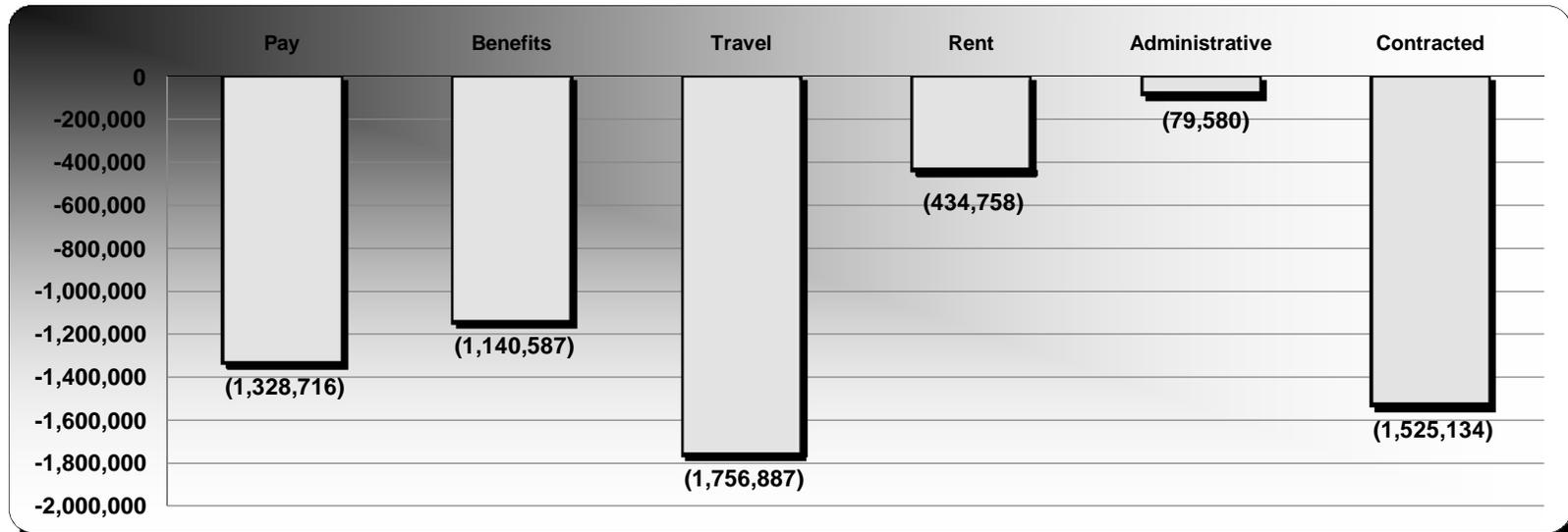
National Credit Union Administration Operating Fund
Statement of Cash Flow
January 31, 2010

| | Month January 2009 | Month January 2010 | Y-T-D January 2009 | Y-T-D January 2010 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Income from operating fees | \$ - | \$ - | \$ - | \$ - |
| Interest received from cash and cash equivalents | 0.00 | 467.39 | 0.00 | 467.39 |
| Other income received | 0.00 | 15,942.40 | 0.00 | 15,942.40 |
| (Cash paid for operating expenses) | (5,549,701.99) | (5,277,461.48) | (5,549,701.99) | (5,277,461.48) |
| Net cash (used) in operating activities | (5,549,701.99) | (5,261,051.69) | (5,549,701.99) | (5,261,051.69) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Proceeds (purchases) of fixed assets | (9,569.15) | 0.00 | (9,569.15) | 0.00 |
| Proceeds (purchases) home purchase program | 0.00 | 0.00 | 0.00 | 0.00 |
| Net cash (used) in investing activities | (9,569.15) | 0.00 | (9,569.15) | 0.00 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| (Repayments) of notes payable | (111,744.79) | (111,744.79) | (111,744.79) | (111,744.79) |
| (Capital lease payments) | (324,463.00) | 0.00 | (324,463.00) | 0.00 |
| Net cash (used) in financing activities | (436,207.79) | (111,744.79) | (436,207.79) | (111,744.79) |
| NET INCREASE (DECREASE) IN CASH | (5,995,478.93) | (5,372,796.48) | (5,995,478.93) | (5,372,796.48) |
| Cash and cash equivalents at beginning of period | 21,592,338.82 | 24,321,625.63 | 21,592,338.82 | 24,321,625.63 |
| Cash and cash equivalents at end of period | \$ 15,596,859.89 | \$ 18,948,829.15 | \$ 15,596,859.89 | \$ 18,948,829.15 |
| RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | |
| Net income (loss) | \$ 1,787,587.64 | \$ 1,734,660.19 | \$ 1,787,587.64 | \$ 1,734,660.19 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 252,730.39 | 274,540.97 | 252,730.39 | 274,540.97 |
| Unrealized (gain) loss | 0.00 | 0.00 | 0.00 | 0.00 |
| (Gain) loss on disposal of fixed assets | 0.00 | 0.00 | 0.00 | 0.00 |
| (Gain) loss on disposal of homes | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest expense on leases | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous allowances | 0.00 | 0.00 | 0.00 | 0.00 |
| Change in current assets and liabilities | | | | |
| (Increase) decrease in assets: | | | | |
| SIF repayment of Operating Fund for leases | 90,058.97 | 0.00 | 90,058.97 | 0.00 |
| Accounts receivable | 265,832.84 | (6,628,883.44) | 265,832.84 | (6,628,883.44) |
| Interest receivable | 0.00 | 0.00 | 0.00 | 0.00 |
| Prepaid expenses | 140,734.04 | (598,488.94) | 140,734.04 | (598,488.94) |
| Other assets | (6,928,203.88) | 0.00 | (6,928,203.88) | 0.00 |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable | (962,876.22) | 250,552.46 | (962,876.22) | 250,552.46 |
| Accrued employee compensation | 1,019,452.52 | (1,326,295.22) | 1,019,452.52 | (1,326,295.22) |
| Other non current liabilities | 125.95 | 0.00 | 125.95 | 0.00 |
| Other current liabilities | 94,436.51 | 1,032,862.29 | 94,436.51 | 1,032,862.29 |
| Total adjustments | (6,027,708.88) | (6,995,711.88) | (6,027,708.88) | (6,995,711.88) |
| Net cash (used) in operating activities | \$ (4,240,121.24) | \$ (5,261,051.69) | \$ (4,240,121.24) | \$ (5,261,051.69) |

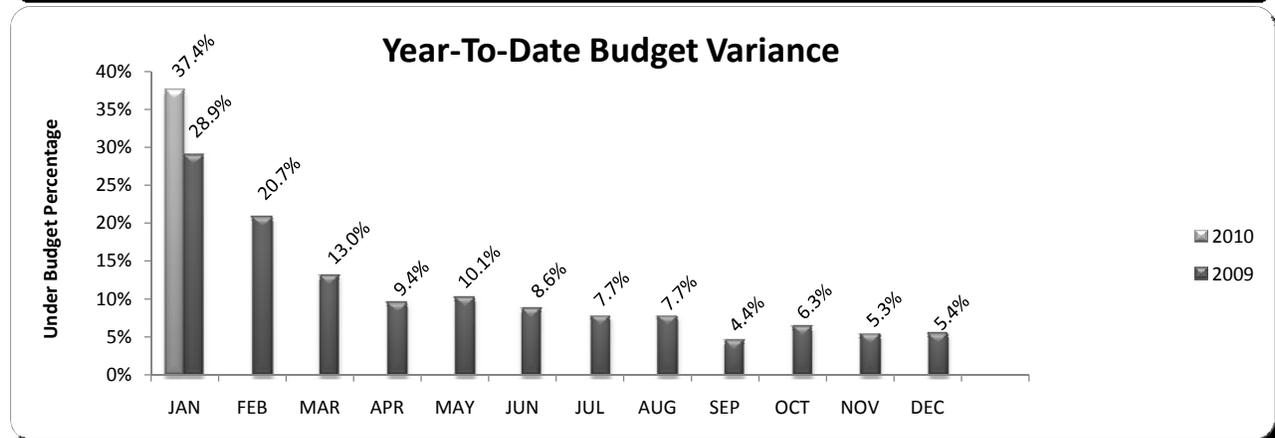
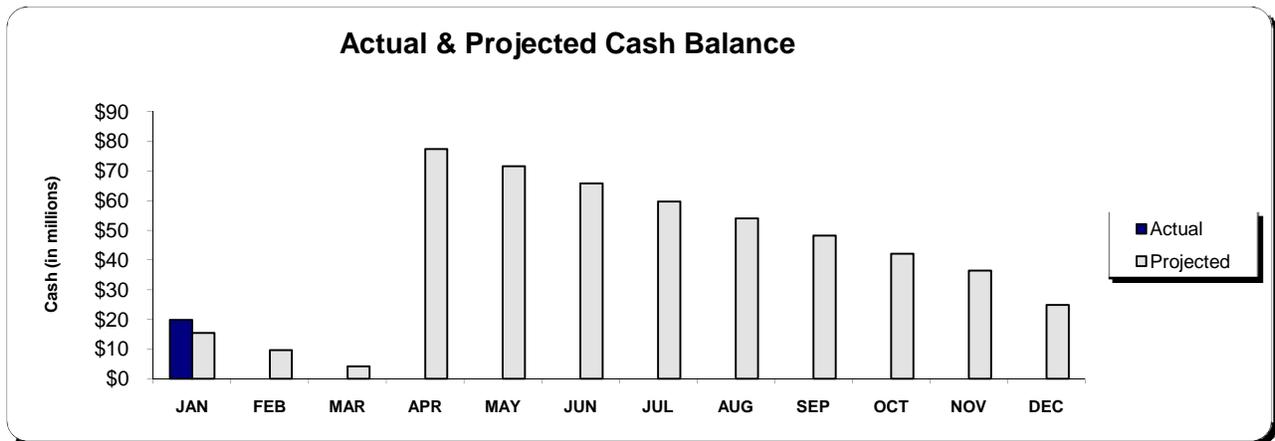
**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
January 31, 2010**

| | 2010 | | | | 2009 | | | |
|--|------------|------------|-------------|---------|------------|------------|-------------|--------|
| | BUDGET | ACTUAL | DIFFERENCE | % DIFF | BUDGET | ACTUAL | DIFFERENCE | % DIFF |
| Employee Pay | 9,445,860 | 8,117,144 | (1,328,716) | -14.1% | 8,773,879 | 7,799,374 | (974,505) | -11.1% |
| Benefits | 2,731,322 | 1,590,735 | (1,140,587) | -41.8% | 2,505,287 | 2,033,190 | (472,097) | -18.8% |
| Travel | 1,938,311 | 181,424 | (1,756,887) | -90.6% | 1,744,326 | 264,835 | (1,479,491) | -84.8% |
| Rent, Communications, & Utilities | 391,498 | (43,260) | (434,758) | -111.0% | 365,733 | 104,358 | (261,375) | -71.5% |
| Administrative | 975,710 | 896,130 | (79,580) | -8.2% | 940,368 | 614,800 | (325,568) | -34.6% |
| Contracted Services | 1,260,925 | (264,209) | (1,525,134) | -121.0% | 945,363 | 43,943 | (901,420) | -95.4% |
| TOTAL | 16,743,626 | 10,477,963 | (6,265,663) | -37.4% | 15,274,956 | 10,860,500 | (4,414,455) | -28.9% |

**Amount Over (Under) Budget
January 31, 2010**



National Credit Union Administration Operating Fund
Graphs and Ratios
January 31, 2010



Ratios

| | January 2009 | January 2010 |
|---|--------------|--------------|
| Retained earnings / Total assets | 39.68% | 45.51% |
| Monthly interest income to average investments (annualized) | 0.05% | 0.00% |
| YTD Travel per full-time equivalent, before overhead transfer, (annualized) | \$ 3,361 | \$ 4,554 |
| Net year to date cash inflow (outflow) in millions of dollars | \$ (6.0) | \$ (5.4) |
| Cash and Overnight investments / Total assets | 27.6% | 29.1% |